

*Program of All-inclusive Care for the Elderly*



*Partners in Community Choice  
Administered by the Virginia Department of Medical Assistance Services*

July 28, 2006

PACE Providers:

Governor Kaine's budget includes \$1.5 million in the first year from the general fund for establishment of up to six PACE programs. Funding of up to \$250,000 will be made available for start-up costs for each of six programs. Funding is specific to staffing, development of business plans and other start-up activities.

Budget language specifies that potential PACE sites shall submit to DMAS no later than September 1, 2006, several documents listed in the attachment.

The disbursement of this funding and the tasks included in the budget language can not be changed. The requirements for each individual task will be reviewed on the merit of documentation submitted. Narrative and supporting documentation must be provided by September 1, 2006.

PACE providers who receive state funding will be required to submit quarterly progress and cost reports to DMAS for quality management review.

Sincerely,

Terry A. Smith  
Director, Division of Long-Term Care

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### PACE START-UP FUNDING

Special Session 1 2006, Virginia Acts of Assembly, Chapter 3, Item 302 #21c:

The following are requirements for consideration for receipt of PACE start up funding. (Revised 7-28-06)

TASK	REQUIREMENTS
Disbursement of grant funding	<ul style="list-style-type: none"> <li>• The Department of Medical Assistance Services (DMAS) shall implement one or more PACE programs by 07-07.</li> <li>• Out of this appropriation, \$1,500,000 the first year from the general fund is provided to make grants of up to \$250,000 per site for start-up funds for potential PACE programs.</li> <li>• The grant funds may be used for staffing, development of business plans, and other start-up activities.</li> <li>• To be eligible for grant funding, organizations must submit the information below to DMAS no later than September 1, 2006.</li> <li>• Submit quarterly progress and cost reports to DMAS for quality management review (checklist to demonstrate that start-up requirements are met).</li> <li>• During the start-up process it is expected that they begin the state and federal PACE provider application.</li> <li>• Once items in 1-4 below are received and approved, then the start-up funding will be provided.</li> </ul>
1. Completion of a market assessment that demonstrates sufficient potential PACE participants to develop a PACE program.	<ul style="list-style-type: none"> <li>• Complete financial feasibility study</li> <li>• Complete market assessment</li> <li>• Develop a complete business plan (to include a marketing plan, implementation plan, staffing plan, operational plan and exit strategy)</li> <li>• Complete organizational assessment to determine if demographics and organizational resources and services will support development of a PACE program</li> <li>• Submit a budget including projected start-up and annual operational costs</li> </ul>
2. Demonstration of partnerships with acute care hospitals, nursing facilities, and other potential partners.	<ul style="list-style-type: none"> <li>• Define service areas including zip codes</li> <li>• Identify locations of hospitals, nursing facilities and other potential partners to ensure that all required covered services are provided</li> <li>• Identify contracted medical services</li> <li>• Submit job descriptions for Medical Director and Program Director</li> <li>• Provide an organizational chart</li> <li>• Identify a Governing Board that includes community representation</li> <li>• A plan which safeguards against conflict of interest</li> </ul>
3. Designation of an adult day health care center from which to operate a PACE program	<ul style="list-style-type: none"> <li>• Identify the location of the adult day health care center and ensure that adult day health care center is or will be appropriately licensed</li> <li>• Provide the full licensed capacity for the adult day health care center</li> </ul>
4. Identification of funding partners to sustain a PACE project.	<ul style="list-style-type: none"> <li>• Identify experience as an adult day health care provider</li> <li>• Identify existing relationship with hospitals and physicians</li> <li>• Identify support of PACE program that will have favorable contract rates for services, assistance with contracting and other in kind support to defray start up and ongoing costs and assist in reaching break even as soon as possible</li> </ul>

## **Further Explanation of the Requirements**

In order to be eligible to receive state funding a PACE Provider must have completed the four tasks outlined and specified on this document and submit this information no later than the close of business 09/01/06. The receipt of funds will be contingent upon the assurance that the PACE Provider will complete the process required to become a PACE Organization. The PACE Provider will submit a timeline for development and implementation of the PACE Provider application, completing state and federal review processes and moving toward a signed PACE Provider Agreement. The narrative and supportive documentation to meet the requirements for start-up funding must be received no later than September 1, 2006. The following outlines specific documentation needed to support each task required to receive funding.

1. Completion of a market assessment that demonstrates sufficient potential PACE participants to develop a PACE program;
  - The market assessment will describe the needs of your community and the PACE organization
  - The narrative will include the activities and steps needed to achieve a PACE program outlining start-up and development, with a timeline
  - A description identifying budget justification that will address activities that relate to the start-up and development of the PACE program
2. Demonstration of partnerships with acute care hospitals, nursing facilities, and other potential partners;
  - Discuss community involvement and provide background on what community partners have been involved
  - Address who will be critical for the PACE Provider to demonstrate partnerships
3. Designation of an adult day health care center from which to operate a PACE program;
  - Discuss the designation of the adult day health center or the proposed location
  - Ensure that the center will be licensed with a timeline for how and when the proposed license will be obtained
4. Identification of funding partners to sustain a PACE project;
  - PACE Provider will establish the long term financial viability of the PACE program
  - PACE Provider will address how they will maintain the elderly in the community